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Requested Patent EP0625275A1

Title: CREDIT MANAGEMENT FOR ELECTRONIC BROKERAGE SYSTEM ;

Abstracted Patent US5375055 ;

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Applicant(s): FOREIGN EXCHANGE TRANSACTION S (US) ;

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**ABSTRACT:**

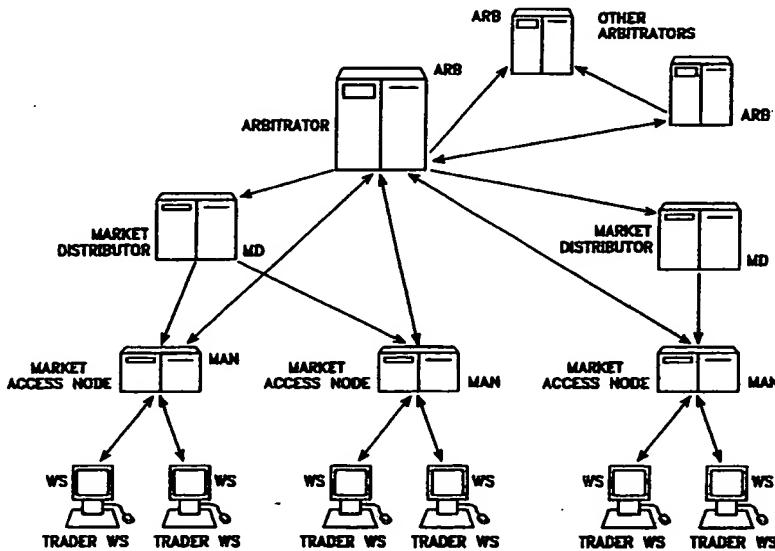
An anonymous trading system identifies the best bids and offers from those counterparties with which each party is currently eligible to deal, while maintaining the anonymity of the potential counterparty and the confidentiality of any specific credit limitations imposed by the anonymous potential counterparty. To that end, each bid or offer for a particular type of financial instrument is prescreened by the system for compatibility with limited credit information (for example, a one bit flag indicating whether a predetermined limit has already been exceeded) and an anonymous "Dealable" price is calculated for each of the traders dealing with that particular financial instrument.



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## (54) Title: CREDIT MANAGEMENT FOR ELECTRONIC BROKERAGE SYSTEM



## (57) Abstract

An anonymous trading system (Fig. 1) identifies the best bids and offers (QuoteSubmit, Fig. 3) from those counterparties (WS A1a1) with which each party (WS A1b1, WS A1b2, ... WS A2a2) is currently eligible to deal, while maintaining the anonymity of the potential counterparty and the confidentiality of any specific credit limitations imposed by the anonymous potential counterparty. To that end, each bid or offer (QuoteSubmit, Fig. 3) for a particular type of financial instrument is prescreened by the system for compatibility with limited credit information (for example, a one bit flag indicating whether a predetermined limit has already been exceeded) and an anonymous "Dealable" price (24, 26) is calculated for each of the traders (WS A1b, ... WS A2a) dealing with that particular financial instrument.

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**CREDIT MANAGEMENT FOR ELECTRONIC BROKERAGE SYSTEM**

2

**TECHNICAL FIELD**

4        The present invention relates generally to a electronic brokerage  
system having a communication network connecting traders dealing in  
6        financial instruments, and more particularly to a computerized system for  
distributing anonymous price quotes on a selective basis in accordance with  
8        previously established credit limits.

10      **BACKGROUND ART**

12     Reuters' published European patent applications EP 399 850,  
14     EP 407 026, and EP 411 748 disclose an automated matching system for  
anonymous trading of foreign currencies (or other financial instruments) in  
16     which a single host computer maintains a central data base consisting of all  
the trading instruments available for trade, credit information, and the  
18     various bids and offers that are present throughout the system. The host  
computer uses the information in its central data base to match active bids  
20     and offers (as well as executing any transitory "hit bid" and "take offer"  
transactions) based on matching criteria which include the gross  
22     counterparty credit limit between counterparties to a potential matching  
transaction, price, and available quantity. To that end, each client site  
24     establishes and may subsequently vary or reset a credit limit for each  
possible counterparty, which is used by the host computer to establish the  
26     gross counterparty credit limit for each possible pair of parties and which is  
equal to the minimum of the remaining credit (initial credit limit less any  
28     applicable transactions that have already been executed) from the first party  
to the second party and from the second party to the first party. The host  
computer blocks completion of an otherwise eligible matching transaction  
30     between a given pair of potential counterparties when the transaction has  
an associated value in excess of the applicable gross credit limit. In that  
32     system, the various client site computers (keystations) merely maintain and  
display a restricted subset of the information available at the central

computer, such as a predetermined number of the best bids and offers, and  
2 communicate credit and other transaction oriented information to the host  
computer for execution. However, in an attempt to preserve the anonymity  
4 of the parties, the client sites do not have access to any credit limits set by  
their possible counterparties, or even to the identification of any other party  
6 to a particular transaction until after a transaction has been completed.

Thus, in the known prior art system, confidential counterparty credit  
8 limit data is maintained in real time and utilized as part of the trade matching  
process by a central host computer. As a consequence, each client site has  
10 no way to determine, prior to committing to buy or sell at a displayed price  
from one or more anonymous counterparties, whether it is in fact eligible to  
12 respond to any of the bids or offers currently being displayed. The client  
site is connected to the central host computer by telecommunication lines;  
14 the host computer is not under the direct control of the party providing the  
confidential credit limit data and thus provides potential opportunities for  
16 unauthorized access to the credit information, even though the host  
computer does not utilize the credit information until a match has been  
18 found between a Buyer and a Seller.

Consequently, until he attempts to execute a trade at the best price  
20 currently displayed on his screen, a trader using the prior art anonymous  
matching system has no way of knowing whether he has credit with, and  
22 is willing to extend credit to, the anonymous counterparty offering (bidding)  
the best price currently displayed on his screen and thus whether any  
24 attempt to buy or sell at the displayed price will be subsequently invalidated  
by the system for lack of such credit.

26

#### SUMMARY OF THE INVENTION

It is an overall objective of the present invention to provide an  
28 anonymous trading system which can identify the best bids and offers from  
those counterparties with which each client site is currently eligible to deal,  
30 while maintaining the anonymity of the potential counterparty and the  
32 confidentiality of any specific credit limitations imposed by the anonymous

potential counterparty.

2        To that end, each client site preferably provides the system with only  
4        limited credit information for each potential counterparty (for example, a one  
6        bit flag indicating whether a predetermined limit has already been exceeded)  
8        and each bid or offer for a particular type of financial instrument is  
10      preferably prescreened by the system for compatibility with that limited  
12      credit information before calculating an anonymous "Dealable" price for  
14      presentation to any of the traders dealing with that particular financial  
16      instrument.

18      In a presently preferred embodiment, the prescreening is a simple  
20      check to determine whether any credit remains between the two possible  
22      counterparties to the potential transaction, and thus may be performed using  
24      a simple yes/no Preauthorization Matrix before any bid or offer is transmitted  
26      to a particular client site.

28      In accordance with a preferred embodiment, such Preauthorization  
30      Matrices are maintained at each of several regional nodes ("distribution  
32      nodes") of a distributed processing communication network, with each such  
34      distribution node being connected by corresponding individual permanent  
36      links of the network to those client sites ("access nodes") for which it is  
38      responsible for distributing market information including customized  
40      "Dealable" bid and offer prices in addition to global "Best" prices.

42      More particularly, in the preferred embodiment, the sensitive credit  
44      limit data indicating how much credit a particular client site is willing to  
46      extend to each possible counterparty is maintained only at an access node  
48      associated only with that particular client, and only a simple yes/no  
50      indication of whether the entity (for example, a trader, a trading floor, or a  
52      bank) associated with that particular access node is willing to transact  
54      business with a particular counterparty is transmitted to the other nodes of  
56      the communication network.

58      To further limit the data received and processed by each of the  
60      relevant regional node computers, (ie, the distribution nodes closest to the  
62      particular site and/or closest to the particular counterparty), only changes in

the credit state between a particular access node and a particular counterparty (ie, credit is no longer available or credit is now available) are transmitted to the distribution nodes, and any credit state information only relevant to transactions between two client sites both associated with other distribution nodes, may be altogether ignored.

In a preferred embodiment of the system as currently contemplated, if either of the two applicable limits has not already been exceeded between a particular pair of counterparties, the system displays the entire bid or offer as a "Dealable" transaction, but permits each client site to block any above-limit portion of any resultant buy or sell transaction during a subsequent deal execution/verification process. Alternatively, possibly at the option of the party by or for whom the low limit has been set, the entire transaction could be executed, or the entire transaction could be blocked. As a second alternative, the Preauthorization Matrix could indicate whether sufficient credit remained to execute a predetermined "standard" deal amount in addition to, or instead of, a mere indication as to whether any credit from a particular potential counterparty had already been used up. In such an alternate embodiment it might also be possible to display to each trader two "Dealable" prices: one at which at least the predetermined "standard" amount is available, and a second price at which only a "Small" amount may be available.

As currently contemplated, each of the regional nodes transmits both a Best current price (for which a predetermined minimum quantity is available independent of any credit constraints) and a best Dealable price (for which at least limited credit is presumably available on a bilateral basis with at least one of the counterparties making the bid or offer), as well as a "Small" indicator that may indicate a thin potential market in which that predetermined minimum quantity is not available at any price from any counterparty with whom the trader is eligible to deal, but nevertheless a smaller quantity is available from one or more of such eligible counterparties. In determining whether such a predetermined minimum quantity is available, the system may consider composite deals from more than one Maker or at

more than one price, in which case the displayed price is preferably the least  
2 advantageous price included in the best such composite deal. In an  
alternative embodiment, the system does not take into account such  
4 composite deals when displaying a price, but still identifies the oldest quote  
at the best price as a potential match, thereby giving the traders the benefit  
6 of any price advantages for smaller sizes.

In accordance with another aspect of the preferred embodiment, at  
8 least the first Maker having an open quote that is displayable as the "Best  
Dealable" or "Regular Dealable" at any of the other trading floors is  
10 automatically alerted that his bid (offer) quotation is the Best price available  
to at least one potential counterparty with whom mutual credit exists, and  
12 thus could be hit (taken) at any time. Similarly, at least if the quoter's bid  
(offer) quote is not currently the first Best quote at at least one trading floor  
14 and is thus subject to immediately being hit (taken) by a trader at that  
trading floor, he is preferably also alerted if his quote is "joined" (ie, equal  
16 to in price, but later in time) to such a "Best Dealable" or "Regular Dealable"  
price from another trading floor.

18 Preferably, in accordance with another aspect of the invention, the  
system also determines whether a Quote has been "bettered"; that is to say,  
20 no longer qualifies as a Dealable quote (or joined to such a quote) at at least  
one potential counterparty. In that case, at the trader's option, the system  
22 will automatically cancel such a bettered quote.

In accordance with yet another aspect of the invention, the displayed  
24 Dealable price (unless accompanied by the "Small" indicator) is valid for at  
least a predetermined minimum quantity (which, as noted previously, may  
26 be a composite of small sizes from more than one source, or which always  
reflects a regular size from only one source, depending on system design  
28 tradeoffs and/or the trader preferences) and only prices and not quantities  
are displayed. However, assuming that the Best Dealable price for a regular  
30 quantity is greater than the best Small price, each trader may optionally  
select which of the two such Dealable prices is displayed.

32 When a "buy" or "sell" is made for a quantity in excess of the

2 cumulative applicable credit limits associated with the counterparties having  
4 open quotes equal to or better than the displayed price and thus the completed transaction is for a cumulative quantity smaller than desired by the trader, the trader preferably then has the option of "working the balance" (in which the system automatically generates a bid/offer for the difference).

8 In accordance with yet another aspect of the invention, changes in the Dealable price information and specifics of any subsequent transactions initiated by the trader are optionally vocalized electronically by the trader's terminal and provided to the trader in audible form, together with succinct details of any subsequent transactions. For example: Whenever there is a 10 change in the Dealable "Buy" price, the least significant digits of that price 12 are electronically converted to text which in turn is converted to digital 14 speech using conventional speech synthesis circuitry.

16 The above description refers to the processing and distribution of data as though they were instantaneous processes; it will be appreciated by those skilled in the art that some delay is inherent in the type of system 18 described, and that as a consequence, the information available at a particular processing node does not always reflect the most current 20 information available anywhere in the system. However, at least in a preferred embodiment, any such delays in the display of Dealable price 22 information may be kept within acceptable limits by transmitting only changes over the communication network, by using several processing 24 nodes operating in parallel to compute the Dealable price information for different Trading Floors and/or different currencies, and by providing 26 dedicated communication links between each processing node and its associated Trading Floors.

28

#### BRIEF DESCRIPTION OF THE DRAWINGS

30 Other objects and features of the present invention will be apparent from the following description of a presently preferred embodiment taken in 32 connection with the accompanying drawings, in which:

Fig 1 is an overview of the Communication Network and the various  
2 workstations and processing nodes associated therewith;  
Fig 2 depicts the trader's Buy/Sell display;  
4 Fig 3 depicts the trader's Quote display;  
Fig 4 depicts the Trader Profile Display;  
6 Fig 5 shows the flow of messages in the communication network which are  
used to generate and distribute Dealable price information to each  
8 individual trader;  
FIG 6 depicts a Preauthorization Matrix; and  
10 Fig 7 is a functional flowchart showing how the Dealable price is  
computed.

12

#### DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENT

14 In the described embodiment, the trading system is an electronic  
brokerage system having a communication network for facilitating the  
16 buying and selling of large blocks of foreign currency by traders each  
associated with his own Workstation ("WS") located at a Trading Floor of  
18 a subscriber bank ("client site"). As shown in Fig 1, each client site has its  
dedicated client site computer ("Market Access Node", or "MAN") under the  
20 control of a Floor Administrator, which maintains transaction records, credit  
limits, and other confidential information originating with its associated  
22 Trading Floor. The WS's and the MAN associated with each Trading Floor  
are connected via a conventional self-repairing DEC VAX network to a  
24 nearby distribution node ("Market Distributor" or "MD") computer, which  
typically analyzes and distributes current market data by means of dedicated  
26 permanent communication links to one or more associated MAN's in a  
particular city (or other local region), and which may also provide  
28 administrative functions for the communication network. Although not  
considered critical to the present invention, a group of MD's is preferably  
30 supplemented by a common trading region processing node ("Arbitrator  
Node" or "ARB"), with the ARB performing those functions (such as  
32 identifying potential matches between Buyers and Sellers, and other aspects

of the "Deal Matching" process that require coordination with more than one  
2 client site) which make the most efficient use of the communication network  
if done centrally or regionally, while the MD's perform those functions (such  
4 as generation of separate Dealable price information for each individual client  
site) which are readily implemented in parallel in a distributed processing  
6 network and which make most efficient use of the communication if done  
locally or in close proximity to the individual client sites.

8 In that regard, it is preferable to have more than one ARB, with each  
ARB having primary responsibility for trades initiated by Market Makers in  
10 the ARB's own trading region, and being connected to all the MAN's and  
MD's of that Trading Region as well as to the other ARB's in other trading  
12 regions by permanent dedicated links of the communication network. In the  
majority of deals, it is anticipated that both the Maker and the Taker will be  
14 within the same Trading Region and thus will be directly linked to the same  
ARB which can therefore identify a potential match and coordinate its final  
16 execution without any communication with the other ARB's; at the same  
time, the other ARB's can simultaneously be processing deals related to  
18 other traders in other regions. Connecting the various ARB's with one  
another by dedicated permanent communication links not only facilitates  
20 deals with a Taker in a remote trading region who does not normally have  
any direct link to the Maker's ARB, but also provides an efficient  
22 communication network for broadcasting price quotes to all the traders in  
other trading regions. Preferably, the various MD's, MAN's and ARB's are  
24 each provided with a local backup already connected to the communication  
network in accordance with the teachings of the commonly assigned US  
26 patent application entitled "ACTIVATION OF A DORMANT SIBLING  
COMPUTER IN A COMMUNICATION NETWORK" and filed 9 Nov 1990  
28 under serial number 07/612,0451; however, it is also possible, albeit  
wasteful of communication resources, to establish temporary communication  
30 links between the MAN's and MD's of one trading area and an ARB in a  
remote trading area, so that the remote ARB can function as an emergency  
32 backup for the local ARB. In any event, the system is preferably provided

2       with a self-test and re-initialization capability to detect discrepancies  
4       between the local data bases maintained at each of the local (MD) and  
4       regional (ARB) processing nodes, and to regenerate missing or questionable  
4       data from corresponding data stored at other nodes.

6       Whether the communication links between nodes are permanent  
8       (maintained indefinitely between two network components) or temporary  
8       (established dynamically for a short period of time) they are preferably  
10      "logical links" which have the property that messages sent in a certain order  
10      over the same logical link are guaranteed to reach their destination in the  
12      same order. Moreover, the communication network is preferably provided  
12      with sufficient error detection, error correction, and network self-repair  
14      capability to guarantee that messages sent via these logical links are error  
14      free.

16      In summary, each MAN is connected to other MAN's by a robust  
16      communication network which connects the various Trading Floors and  
18      which supplements the MAN's with a number of processing nodes  
18      (preferably in the form of MD's and ARB's) to facilitate the distribution of  
20      price quotations and other market data and to execute transactions by  
20      matching eligible Market Makers with eligible Buyers and Sellers and by  
22      monitoring the transactions until they have been completed or aborted, with  
22      the MAN's being responsible for Trading Floor specific tasks such as logging  
24      the completed transaction and updating the credit limit that was previously  
24      available to the counterparty Trading Floor.

26      The structure and function of the trader WS's, MAN's, MD's, and  
26      ARB's will now be described in detail, with particular emphasis on how they  
28      cooperate to distribute price quotes (bids and offers) from a Market Maker  
28      to potential Takers throughout the system. In the prior art, such quotes  
30      were made available to the individual traders merely in the form of one or  
30      more public best prices for each currency pair (or other financial instrument  
32      type) then being offered by any Market Maker, without regard for any  
32      confidential credit restrictions imposed by the Maker or by the potential  
32      Taker that may prevent any deal being consummated. However, in

accordance with the present invention, each trader receives a private  
2 Dealable price, which the system has prescreened for the absence of any  
credit restrictions that would prevent the trader on whose WS the Dealable  
4 price is displayed from dealing with an anonymous Market Maker from  
whom the displayed price originates.

6 As shown in FIGS 2 through 4, each WS supports a single trader  
trading in a single currency pair, and its display thus provides one or two  
8 panels containing only information which a typical trader would consider  
essential to trading in that currency pair by means of an anonymous  
10 brokerage system. However, the blank portion of the WS display could  
obviously be used for other data related to another currency pair and/or  
12 another type of transaction. Furthermore, the displayed panel could be a  
window within a larger display that also displays data from other information  
14 distribution and transaction processing systems.

Fig 2 shows the trader's Buy/Sell display panel 10 which provides the  
16 primary interface between the electronic brokerage system and the individual  
traders. At the top of the display appears the currency pair 12 (as shown,  
18 the Base Currency is United States dollars, Local Currency is German  
marks), and at the top right, the "Value Date" 14 (the date on which any  
20 resultant trade is scheduled for payment). The next line comprises (from left  
to right) : the "Figure" (the most significant three or four digits) 16 of the  
22 "Sell" ("bid") price, conventionally expressed in units of Local Currency (eg,  
DM 1.72) per single unit of Base Currency (eg, US\$1.00); two additional  
24 digits 18,20 (commonly referred to as "Pips") which respectively reflect the  
remaining two or three least significant digits of the displayed "Best" bid and  
offer prices (ie, the best price at which at least one anonymous Market  
26 Maker is willing to buy the Local Currency, and the best price at which at  
least one anonymous Market Maker is willing to sell the Local Currency); and  
28 the "Figure" 22 of the "Best" offer price.

30 A Market Maker will always want to purchase a commodity at a lower  
price than the price at which he is willing to sell the same commodity and  
32 his bid price will thus be less than his offer price. Moreover, the trading

system is preferably able to "automatch" a bid price from one Maker with  
2 an equal or lower offer price from another Maker, assuming that the two  
Makers have sufficient credit with each other. Accordingly, the displayed  
4 "Best price" 18,20 will normally reflect a price spread in which the offer  
price is equal to or higher than the bid price; however at times it may reflect  
6 an "Arbitrage Opportunity" in which a third party having credit with the two  
Makers is able to Buy at a lower offer price from one Maker and sell at a  
8 higher bid price to the other Maker.

Furthermore, there is no requirement that a Market Maker must  
10 always quote both a bid price and an offer price for the same quantity of the  
Local Currency, or that if a bid (or offer) price is accepted by a Seller (or  
12 Buyer), any corresponding offer (or bid) price from that Maker will be  
(preferably at the trader's option) automatically withdrawn. Thus it is also  
14 possible that an offer price but no bid price (or vice versa) will be displayed  
as the Best price 18,20 at the top of the display.

16 As presently contemplated, the displayed Best bid and offer prices  
18,20 are each valid for at least a predetermined quantity of currency (for  
18 example five million US dollars) from a single source. Since such a quantity  
may be available at the displayed price in a composite transaction involving  
20 more than one Maker and more than one price, it is possible that at least a  
portion of the transaction could be executed at a better price than the  
22 displayed Best price 18,20.

In accordance with the invention, a "Deallowable" bid and/or offer price  
24 is derived only from those bids or offers from other Trading Floors which  
have been prescreened for at least some nominal level of remaining credit  
26 from the potential Maker to the potential Taker and vice versa, and at least  
the "Pips" 24,26 portion of the Deallowable price is prominently displayed or  
28 otherwise communicated to the potential Taker.

In the illustrated example, the associated Taker (and any other  
30 USD/DEM traders on his Trading Floor) is thus eligible to Sell German marks  
("DEM") at the bid rate of 1.7210 marks per dollar ("USD"), or to Buy at the  
32 offer rate of 1.7217 marks per dollar, and the system has already verified

that the displayed Dealable price 24,26 is currently available from one or  
2 more anonymous Makers with whom the trader is currently still eligible to  
deal, and that those eligible Makers are willing (either collectively or  
4 individually, depending on the trader preferences and/or design tradeoffs  
mentioned previously) to sell (or buy) at least the same predetermined  
6 minimum quantity of the particular Local Currency involved as was used to  
determine the displayed Best price 18,20. Thus, a "regular" displayed  
8 Dealable price 24,26 will never be better than the displayed Best price  
18,20; if worse than the Best price 18,20, this is an indication that the  
10 trader is barred by credit limitations from obtaining the best price that is  
then theoretically available. Indeed, because credit is established bilaterally,  
12 it is possible that the Maker (or Makers) behind the Best price have extended  
credit only to Trading Floors who currently have not extended any credit to  
14 those particular Makers, and thus that none of the traders at any of the  
client sites will see a Dealable price equal to the displayed Best price.

16 The foregoing implicitly assumes that the Best price 18, 20 and the  
Dealable price 24,26 are sufficiently close that the Figures 16, 22 are  
18 unaffected. If that is not the case, it is preferable that the displayed Figures  
correspond to the corresponding most significant digits of the displayed  
20 Dealable prices; if the "Pips" of the Best price are worse than the  
corresponding least significant digits of a displayed Dealable price, it will be  
22 apparent that the corresponding Figure of the Dealable price should be  
incremented or decremented by at least one digit to obtain the Best price.

24 Moreover, as with the Best price, it is possible that at least a small  
quantity is available from one or more Makers at a better price than that  
26 which is currently displayed as a regular Dealable price (or even that a better  
price becomes available after the price is displayed but before the Taker's  
28 Buy or Sell request is processed), in which case the trader may receive or  
pay an effective average price that is somewhat better than the currently  
30 displayed Dealable price. This will be the case whether the system has  
executed a single transaction only with a second Maker with whom the  
32 better price originated, or a composite transaction with that second Maker

and the Maker with whom the displayed price originated.

2        Instead of a regular Dealable price, a Small price may be displayed, 4 preferably identified as such (for example, by the letter "S") 28 and which 6 differs from the regular Dealable price in that only a relatively small quantity 8 is collectively available at any price from those Makers with whom the trader 10 currently is eligible to deal. For example, if deal size is expressed in units of 12 one million dollars, the Best price and the regular Dealable price may each 14 represent available deals having a potential aggregate value (not necessarily 16 all from the same trader) of at least 5 million dollars, while a Small price 18 represents available deals having a maximum potential value of between 1 and 4 million dollars.

20        Among the options available to each trader through his Trader Profile 22 panel (see Fig 4) is the ability to display either the regular Dealable price as 24 described above, which is good for at least the previously mentioned predetermined minimum quantity (eg, at least 5 million dollars), or a best 26 Dealable price which is the best price available to that trader for even a nominal minimum quantity (eg, only 1 million dollars).

28        Preferably, the trader has also previously specified a default 30 transaction quantity using his Trader Profile Screen and the displayed 32 Dealable price functions as the default value for the trader's requested transaction price. Thus, the trader may quickly and accurately respond to 34 a new Dealable bid or offer price by merely activating a Buy button 34 or a Sell button 36, respectively on the screen, assuming that the display is touch sensitive or is provided with a "mouse" or other pointing device; alternatively the Trader may use a small custom keypad having dedicated 36 function keys for the various functions and dedicated size keys for various predetermined deal sizes as well as conventional numerical, tab and cursor 38 keys. If the desired quantity 30, 32 is not available at the displayed 40 Dealable price, as will be discussed in more detail with respect to FIGS 3 and 4, any missed quantity may be the subject of a subsequent "working 42 the balance" bid or offer.

44        In any event, the system gives the trader accepting a Dealable price

the benefit of any undisplayed Small price from an eligible counterparty that  
2 is "behind" (ie, equal to or better than) the Dealable price. In that case, the  
buy or sell request would be executed as two trades, one at the undisplayed  
4 Small price, and the other at the displayed Dealable price.

As noted previously, the trading is performed electronically, and when  
6 a bid price is equal to or greater than an offer price, the two will normally be  
automatically matched, with the system automatically allocating any price  
8 difference between the two trader's in accordance with previously agreed  
trading rules. Thus it is not likely that a displayed bid price 18,24 will be  
10 greater than a displayed offer price 20,26. However, if two traders are  
barred from dealing with each other because of credit limit restrictions but  
12 are both free to deal with a third trader, it is still possible that the third  
trader will be presented with an arbitrage opportunity.

14 When the Dealable price 24,26 originates with the trader himself (or  
another trader on the same Floor), the trader is preferably alerted to that fact  
16 by displaying his price as the Dealable price, but in a visually distinctive  
manner and with the corresponding Buy or Sell function 34, 36 optionally  
18 inhibited. Thus, his Trading Floor may be prevented from in effect dealing  
with or against itself.

20 In accordance with another aspect of the invention, the displayed  
price data may optionally be "vocalized": whenever there is a change in the  
22 displayed prices, the numerical data is electronically converted to text which  
in turn is converted to digital speech using conventional speech synthesis  
24 circuitry. In that event, it is preferable that only the "Pips" of the "Dealable"  
price quotes are announced (unless, due to a large spread, this would result  
26 in an ambiguous price), so that the trader will not be assaulted with  
nonessential information. Thus, the vocalized information will normally  
28 include only the least significant digits (Pips) of the displayed Dealable bid  
and offer prices, as well as status changes for any recent quotes or hits  
30 initiated by the trader. An exemplary trading scenario and the resultant  
vocalized communications is presented in Table 1.

	<b>Trader Action</b>	<b>Broadcast</b>	<b>Maker only</b>	<b>Taker only</b>
2	Deallowable price has Bid and offer	10-17		
4	Bid side only	10 bid		
6	Bid size small	10-17 Small Bid		
8	Offer side only	17 Offered		
10	Offer size small	10-17 Small Offer		
12	Bid and Offer Small	10-17 In Small		
14	Bid/Offer Pips = "00"	Figure		
16	Bid = Offer	10 Choice		
18	No Bid/Offer available	Dollar/Mark please		
20	Deallowable Bid/Offer removed	Bid/Offer out		
22	Bid and Offer removed	Off the Price		
24	Price change for Bid and Offer (worse only)	Change		
26	You enter a Quote			
28	Your Quote is best			
30	Your Quote is Bettered by another Trader	10-17		
32				14 Bid/Offered Inside you

**Table 1**

	<b>Trader Action</b>	<b>Broadcast</b>	<b>Maker only</b>	<b>Taker only</b>
2				
4				
6				
8				
10				
12				
14				
16				
18				
20				
22				
24				
26				
28				
30				
32				
	<b>PYou cancel Quote</b>			
		<b>Bid/Offer/Price canceled</b>		
	<b>Your Quote Joined by another trader</b>	<b>You Join the</b>		
	<b>You Join a Quote from another trader</b>	<b>Bid/Offer/Price</b>		
	<b>Your Quote is no longer Joined</b>	<b>Your Bid/Offer/Price</b>		
		<b>only</b>		
		<b>Still watching your</b>		
		<b>Bid/Offer/Price</b>		
	<b>10 Given (Small)</b>	<b>10 yours from Bank X</b>	<b>You Sell 10 to</b>	
	<b>Your Bid Is hit</b>	<b>Bank Y</b>	<b>Bank Y</b>	
	<b>Your Offer is Taken</b>	<b>17 Paid (Small)</b>	<b>You Sell 10 to Bank X</b>	<b>You Buy 10 from</b>
			<b>Bank Y</b>	
			<b>Working Your Balance</b>	
			<b>of X</b>	
	<b>Your quote is partially dealt on</b>			
			<b>Still working your</b>	
			<b>Bid/Offer/Price</b>	
	<b>Maker's Quote not Hit for a period of time</b>			<b>Missed it</b>
	<b>Taker's Attempt to hit a Bid or Offer failed (too slow)</b>			
	<b>Taker's Buy/Sell missed</b>			<b>Working your</b>
				<b>Balance of X</b>

Fig 3 shows how the display is transformed when the trader is not content to assume a passive role in which he merely reacts to deals solicited by other traders, but rather wishes to assume for himself the role of a Market Maker. In that case, a Maker's "Quote" panel 40 appears below the Taker's "Buy/Sell" panel 10 of Fig 2, so that the trader may act both as a Maker and as a Taker, using a pointing device or a designated key of an alphanumeric keyboard to move between the two panels. The Figures 42, 44 and Pips 46, 48 have the same function as in the Taker's panel, and take their respective initial values from the current Best price. As in Fig 2, the bid information is on the left, while the offer information is on the right. Immediately below the price information, the trader is presented with the relevant bid and offer quantities 48,50, conventionally expressed in millions of US dollars. When the Maker's panel first appears, these quantities assume default values (10,10) established by the trader's personal trading profile. The trader is able to change any "Pips" or "quantity" amount shown on the Maker's panel by means of a numerical keyboard, using the enter key to move from field to field. Alternately, changes in the numerical data could be entered by selecting the field with a mouse or other pointing device, with a single click indicating an upward increment of one Pip and a double click indicating a downward increment of one Pip. Once the trader has changed the displayed numerical information to his satisfaction, he may then send a double sided bid/offer quote message (QuoteSubmit, Fig 5) either by activating Send button 52 with a mouse or a conventional tab key and enter key, or by using a dedicated Send key on the trader's keyboard (not shown). Optionally, the trader may also send a single-side bid or offer, using the Bid button 54 or Offer button 56 instead of the Send button 52. Once the quote has been transmitted, an optional timer (not shown) may provide a visible and/or audible indication that a predetermined exposure time has elapsed. In addition, the trader may specify in his Trader Profile panel (Fig 4) an optional automatic quote interrupt, whereby the quote is withdrawn once a predetermined maximum exposure time has been reached. At any time, the trader may use the Off button 60 to withdraw his current

quote, whereupon he may compose and send a new quote.

2        Preferably, as will be discussed in additional detail with respect to  
Fig 7, at the same time the system uses the quote and any associated credit  
4        prescreening information to determine the dealable prices to be displayed at  
each potential counterparty, the system also determines whether the current  
6        quote is equal to the Dealable price (either Best Dealable or Regular Dealable)  
available to any potential counterparty with whom bilateral credit currently  
8        exists, and if so, alerts the quoter that the displayed price has priority in  
time over any other available quote for that deal size (regular or small) from  
10      other trading floors and is subject to immediately being hit/taken (a "Red  
Dealable" quote, preferably indicated by red background) or is equal to such  
12      a Red Dealable (regular or small) quote from another trading floor (a "Joined"  
quote, preferably indicated by a = sign and a yellow background).

14      As shown in Fig 4, each trader can call up a "Trader Profile" screen  
70 to select his current trading currency 72, and also to establish or modify  
16      his personal default values for normal and maximum trading size 74, 76 and  
price time limit 78, and his preferences regarding optional automated trading  
18      protocols 78, such as canceling a quoted price that has been partially dealt  
(only a portion of the available size was matched with a qualified  
20      counterparty) or bettered (is not equal to the Best Dealable price for that size  
that is currently available to any potential counterparty with whom bilateral  
22      credit still exists). As noted previously, the Trader may also elect to display  
the Regular 80 or Best 82 Dealable price, and the system also provides the  
24      trader with various options 82 for automatically "working the balance" in the  
event the trader attempts to buy or sell a particular quantity at the displayed  
26      Dealable price but misses the deal in whole ("complete") or in part  
("partial"). Depending upon the particular option selected, the system  
28      automatically generates and transmits a bid at the last Dealable offer price  
if the trader was not able to buy the full quantity desired, for a quantity  
30      equal to the difference between the desired quantity and the quantity  
actually traded.

32      In addition, a Floor Administrator (preferably for internal security

reasons a bank employee free of any trading responsibilities) has his own  
2 WS with a Floor Profile screen (not shown) which includes an option to prevent his own traders from trading with each other, and a maximum  
4 Business Day Credit Limit for each eligible counterparty which represents the maximum cumulative value of trades that may be executed by all traders of  
6 the Trading Floor with the designated counterparty. Alternately, the system could combine transactions from related Trading Floors, in which case the  
8 Floor Profile could merely identify a common credit facility having a single credit limit for each Trading Floor or groups of Trading Floors. The Floor  
10 Administrator also selects a warning percentage which the system uses to broadcast a warning message to the Administrator and all the traders on a  
12 given Floor that a particular counterparty has utilized a specified percentage of its available credit, in which case the traders may wish to alter their  
14 trading strategies and/or the Floor Administrator may choose to raise the applicable credit limit.

16 Fig 5 shows the flow of electronic messages relating to the distribution of customized Dealable price information to each Trading Floor.  
18 The trader at WS A1a1 of Trading Floor A1a uses his Price Quotation (Market Maker) Panel (Fig 3) to generate a QuoteSubmit message to the  
20 Trading Floor's MAN (MAN A1a) in the form of a bid to buy at 1.7215 and an offer to sell at 1.7216. The MAN in turn logs the QuoteSubmit as two  
22 open quotations (one, if a single-sided quote) and forwards the QuoteSubmit message to the Maker's Arbitrator Node (ARB A) whose assigned  
24 geographical Trading Region includes the Maker's Trading Floor A1a1. In turn, ARB A updates an ordered list of available bids and an ordered list of  
26 available offers for the relevant currency pair, each ranked by price and time of receipt (preferably at the Maker's ARB), and containing data fields for  
28 indicating the Quantity (preferably expressed in Base Currency units) of the Local Currency still available for purchase or sale, and the Quantity reserved  
30 by the Arbitrator pending completion or failure of a pending deal resulting from a potential match initiated by the arbitrator and not yet confirmed by  
32 the Maker and Taker. A corresponding QuoteAvailable message is then

transmitted from the Maker's ARB A to the MD's in its Trading Region  
2 MD A1, MD A2, and to the other ARB's for eventual distribution to the  
MD's and MAN's of other Trading Regions.

4 Each MAN (for example, MAN A1b) also transmits a CreditUpdate  
message to its associated ARB (ARB A) whenever the credit status for any  
6 of its potential counterparties (for example, A1a or A2a) changes from  
CreditAvailable to CreditNotAvailable or vice versa, which the ARB then  
8 retransmits to its affected MD's and to the other affected ARB's.

The MD's then use the information in the received CreditUpdate  
10 messages to maintain a Preauthorization Matrix PM such as that shown in  
Fig 6. The rows and columns of the matrix PM are associated with the  
12 various Trading Floors A1a, A1b, A2a, etc (including any Floors in other  
Trading Regions) and for each ordered pair of Trading Floors {TF<sub>i</sub>, TF<sub>j</sub>}  
14 contains an indication as to whether TF<sub>i</sub> has extended any credit to TF<sub>j</sub>. In  
the depicted example, credit exists on a bilateral basis between TFA1 and  
16 TFA2, no credit exists between TFA1 and TFB1, and credit has been  
extended unilaterally from TFA2 to TFB1, but not vice versa (as indicated  
18 by the "1" at the intersection of row TFB1 with column TFA2 and the "0"  
at the corresponding intersection of column TFB1 with row TFA2). From  
20 the main diagonal of the matrix it can be seen that only TFA2 permits its  
own traders to trade between themselves, as indicated by the "1" at the  
22 intersection of row TFA2 with column TFA2. Preferably, each MD only  
24 maintains a partial Preauthorization Matrix containing data only regarding  
credit extended from or to its associated MAN's to the other potential  
counterparties (MAN's) in the system. Thus, as indicated in Fig 6 by cross  
26 hatching, some of the matrix entries may be blank.

The MD's use the QuoteAvailable messages to update their own  
28 ordered lists of available bids and offers; these ordered lists and the  
above-described Preauthorization Matrix are then used by the MD to  
30 calculate separate Dealable prices for each Trading Floor which are  
transmitted as MarketView messages to the affected MAN's, as will be  
32 described in more detail hereinafter with reference to Fig 7. In addition, the

MD's and/or ARB's use a similar procedure to identify which quotes from  
2 which trading floors are "Red Dealable" or "Joined" or "Bettered": A quote  
4 is "Red Dealable" only if it is the basis (best in price and time of the bids or  
offers originating from trading floors with which bilateral credit is still  
6 available) for a "Dealable" price displayed at one or more trading floors; once  
the "Red Dealable" quotes have been identified, the other quotes may be  
8 readily categorized as either "Joined" (if not first in time) or "Bettered" (if  
not best in price).

The actual deal is executed using a known two-stage commitment  
10 logging process (not shown) in which DealVerify and DealVerifyOk  
messages are logged by and transmitted from the Maker's MAN to the  
12 Taker's MAN and vice versa, after each MAN has verified that the other  
party to the deal has been extended sufficient credit by the Man's  
14 associated Trading Floor to cover the full deal quantity (otherwise the deal  
is aborted or is cut back in quantity). As an additional precaution, the  
16 Maker's MAN also checks that the quote has not been interrupted and that  
the WS from which the quote originated is still on-line, before any DealVerify  
18 or DealVerifyOk message is transmitted to the other Trading Floor  
(equivalently, each WS involved could perform its own logging and  
20 communicate directly with the other WS; however, this would complicate  
any subsequent automated deal recovery or rollback). A suitable logging,  
22 verification, and recovery/rollback process is disclosed in further detail in the  
commonly assigned US patent application filed on 2 November 1990 under  
24 serial number 07/608,643 and entitled "Financial EXCHANGE SYSTEM  
HAVING AUTOMATED RECOVERY/ROLLBACK OF UNACKNOWLEDGED  
26 ORDERS". In any event, it should be understood that each ARB also  
maintains a log of potential matches which have not yet been verified or  
28 canceled by the affected MAN's, and that if these potential matches are not  
resolved within a predetermined time period, a similar automated  
30 rollback/recovery process can update the ARB's log on the basis of the logs  
maintained by the affected MAN's (for example, the match may be  
32 automatically canceled (rolled back) if either MAN does not have a

corresponding entry in its respective log).

2        Fig 7 sets forth a possible implementation of how the MD computes  
4        a Dealable bid for a particular currency currently available to a particular  
6        Trading Floor, which may then be transmitted in the form of a MarketView  
8        message to that Trading Floor. Preferably, in order to avoid the transmission  
10      of redundant information and consequent excessive loading of the  
12      communication network, these MarketView messages are transmitted to a  
14      particular MAN only in response to a change in the Dealable price for the  
16      associated Trading Floor. Moreover, it may be more efficient to transmit  
18      information only for those active currency pairs which the Trading Floor's  
MAN has previously identified to its MD in an ActiveCurrencyPair message.

12      As indicated symbolically in Fig 7 at block 100, the MD first selects  
14      the particular Trading Floor and Currency Pair for which the Dealable bid and  
offer price is to be computed (Fig 7 shows only the computation of the  
16      Dealable bid price; a similar computation is then performed for the Dealable  
offer price before a new Trading Floor and/or Currency is selected). The MD  
18      then resets (block 102) the counters, registers and flags (i, P, Q, S) it will  
use in the computation of the Dealable price P.

20      What follows is a loop controlled by counter i, which points to the  
entries in the particular ordered Quote List associated with the Currency Pair  
22      and transaction type (bid or offer) then being processed, and which is  
incremented at the beginning of the loop (block 104). If the end of the  
24      Quote List has already been reached (Yes branch from decision block 106),  
the current values of the price P and the associated Small flag S are  
26      transmitted to the Trading Floor TF, together with an indication of the  
current Currency Pair CP (as previously noted, no such transmission is  
28      required if the price and Small flag for that Currency Pair to that Trading  
Floor are unchanged). However, if the end of the Quote List has not already  
30      been reached (No branch from decision block 106) the next quote is then  
read (block 110) and the relevant entries in the Preauthorization Matrix for  
the current Trading Floor (TF) and the Maker of the current quote (Mi) are  
32      then checked to determine if any previously extended credit has already

been exhausted (decision blocks 112, 114). If either entry is "0" (indicating no credit available) control passes to the beginning of the loop (block 104), for processing of any remaining quotes in the applicable list.

However, if both relevant entries of the Preauthorization Matrix are "1" (indicating at least some credit is available on a bilateral basis between the current Trading Floor TF and the Maker M<sub>i</sub> from which the current quote Q<sub>i</sub> originated), the price P<sub>i</sub> associated with quote Q<sub>i</sub> is loaded into the price register P, and the associated Available Quantity Q<sub>i</sub> is added to the contents of the Quantity register Q (block 116), which is then tested (decision block 118) to determine if at least a predetermined minimum quantity (eg, 5) is available to the current Trading Floor TF; otherwise control passes to the beginning of the loop (lock 102) and the process is repeated.

Assuming that the predetermined minimum quantity is available (Yes branch from block 118), the Small flag is reset to 0, and control passes to block 108, whereby the Dealable price is transmitted and the process is repeated.

It will be understood that the above assumes that a regular dealable price may be based on a potential composite deal which is based only on quotes for a small size of the currency in question and that a small dealable price is to be displayed only if such a regular dealable price is not available from any qualified counterparty or combination of qualified counterparties; if as mentioned previously it is desired to display only regular dealable prices from a single source and/or to give each trader the option of displaying either the Best Dealable price or the Regular Dealable price, then it may be necessary to scan the available quotes twice (once for the best available regular sized quote, once for the best available quote regardless of size) and/or to maintain separate registers for Best and Regular sized prices.

By using more than one MD each in the form of a dedicated computer, the computation of Dealable prices is distributed among several computers and is free from interruption by other unrelated tasks. Moreover, only a minimum amount of essential information is transmitted to the MD from its ARB, and from the MD to its MAN's. Thus even in a fast moving

market, it should be possible to provide current Dealable price information  
2 to each Trading Floor. However, if an MD is responsible for distributing  
Dealable prices to more than two Trading Floors, it may be preferable to use  
4 a conventional pseudorandom generator to select the next Trading Floor,  
thus avoiding any bias inherent in the sequence in which the Dealable price  
6 information is computed and distributed.

As mentioned previously, the MD could, at the same time it reviews  
8 the ordered list of available quotes, also identify any quote which qualifies  
as " Red Dealable" or "Joined" and transmit a corresponding HitAlert  
10 message to the Maker's MAN (possibly via the Taker's ARB and the Maker's  
ARB). Alternatively, each ARB could repeat the process of Fig 7 for each  
12 trading floor in the entire trading system, which would require more  
computational resources but fewer communication resources. In particular,  
14 such an alternate embodiment, as shown in Fig 5, would require at most  
only one HitAlert message for each bid or offer (to the Maker's MAN from  
16 the Maker's own ARB).

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**WE CLAIM:**

1. A trading system for trading of financial instruments between traders  
2 trading at a plurality of trading floors, said system comprising  
a communication network (Fig 1) for transmitting electronic messages,  
4 a plurality of trader terminals (WS) each associated with a respective one of  
said trading floors and connected to the communication network, for  
6 generating electronic price quotation messages (QuoteSubmit, Fig 3)  
including bid and/or offer prices (Fig 3, 46,48), and  
8 communicating selected bid and offer price information (Fig 2,  
24,26)) based on price quotation messages (MarketView, Fig  
10 2) originating from other said trading floors and received over  
the communication network,  
12 credit limit administration means (MAN, ARB) connected to the  
communication network, for determining whether a predetermined  
14 level of credit is currently available (CreditUpdate) from each trading  
floor to each of the other trading floors, and  
16 dealable price distribution means (MD) connected to said communication  
network and responsive to said price quotation messages  
18 (CreditUpdate) as well as to said credit limit administration means  
(MAN, ARB) for transmitting dealable price messages (MarketView)  
20 to the terminals (WS A1b1, WS A1b2) of at least one particular  
trading floor (MAN A1b), said dealable price messages (MarketView)  
22 being derived only from price quotation messages (QuoteSubmit) from  
those trading floors (MAN A1a) for which said credit administration  
24 means (ARB A, MAN A1a, MAN A1b) indicates said predetermined  
level of credit is currently available on a bilateral basis both from and  
26 to said particular trading floor.
2. The trading system of claim 1, wherein said selected price information  
2 (QuoteSubmit) communicated by the terminal at said particular trading floor  
comprises said dealable price information (MarketView).

3. The trading system of claim 2, wherein said dealable price information (24,26) comprises the best price for a predetermined quantity (\$5m) available from any of said trading floors (MAN) with which bilateral credit currently exists.
4. The trading system of claim 3, wherein said dealable price information (24,26) is the best price for said predetermined quantity (\$5m) available from a single one of said trading floors (MAN) with which bilateral credit currently exists.
5. The trading system of claim 3, wherein said dealable price information (24,26) is determined from the best prices for said predetermined quantity (\$5m) available on a composite basis from more than one of said trading floors (MAN) with which bilateral credit currently exists.
6. The trading system of claim 3, wherein said dealable price information further comprises the best price (24,26) for any quantity (28) available from at least one of said trading floors with which bilateral credit currently exists.
7. The trading system of claim 6, wherein trades are possible for a small quantity (28) less than said predetermined quantity, and said dealable price display means (Fig 2) displays a price (24,26) applicable only to a small, but otherwise dealable, quantity when said predetermined quantity is not available to the associated trading floor.
8. The trading system of claim 1, wherein said dealable price information is communicated in the form of a visible display (Fig 2).
9. The trading system of claim 1, wherein said dealable price information is communicated to at least one of the traders in the form of vocalized text (Table 1).

10. The trading system of claim 1, further comprising  
2 a plurality of access nodes (MAN) connected to the communication  
4 network, including a first access node (MAN A) associated only with  
6 a first trading floor and a second access node (MAN B) associated  
8 only with a second trading floor, for maintaining a record of all trades  
executed on behalf of an associated trading floor, and  
one or more distribution nodes (MD) connected to the communication  
network,  
wherein  
10 said access nodes (MAN) collectively comprise said credit authorization  
means,  
12 said distribution nodes (MD) collectively comprise said dealable price  
distribution means,  
14 said access nodes transmit over the communication network to said  
distributor nodes credit update messages (CreditUpdate) which  
16 indicate whether said predetermined level of credit is currently  
available from one trading floor to another trading floor without  
18 indicating the extent of any credit currently remaining above said  
predetermined level,  
20 said dealable price distribution means maintains at each of said distribution  
nodes an ordered list (110) of at least those of said price quotation  
22 messages (QuoteSubmit) which are not yet withdrawn or reserved  
and a preauthorization matrix (PM, Fig 6) whose individual entries  
24 collectively indicate whether or not said predetermined level of credit  
is available on a reciprocal basis between each of its respective  
26 trading floors and each of said plurality of trading floors,  
said dealable price information (108) is transmitted from each said  
28 distribution node to one or more of said access nodes for eventual  
transmission to associated ones of said terminals (WS),  
30 each said access node (MAN) is located on the premises of a respective  
trading floor (TF) and contains only credit information originating with  
32 said respective trading floor,

34            said credit limit administration means transmits an electronic credit update  
36            message (CreditUpdate) to said distribution nodes (MD) whenever a  
              predetermined minimum level of credit becomes available or is no  
              longer available to a particular said trading floor, and  
              said credit update message does not specify the amount of credit available.

2            11. The trading system of claim 10, wherein those quotes which are for  
4            a price equal to a particular said dealable price and which originate from a  
              trading floor which has bilateral credit available with the trading floor  
              associated with said particular dealable price are identified as "dealable  
              quotes".

2            12. The trading system of claim 11, wherein the record of executed  
4            trades maintained by each access node is used to automatically recover or  
              rollback pending transactions which have been identified by another node  
              as potential trades but which have not yet been fully executed or canceled.

2            13. The trading system of claim 12, wherein each quote that is identified  
4            as a dealable quote but that is not the first dealable quote at at least one  
              trading floor is identified as a "joined" quote.

2            14. The trading system of claim 10, wherein  
4            said price quotation message (QuoteSubmit) includes designation of the  
              trading floor (TF) from which the quotation originates,  
6            said trading floor designation (TF) is used by said each distribution node  
              (MD) in deriving said dealable price messages (MarketView), and  
8            said dealable price message does not include any designation of the trader  
              or trading floor from which the quotation originates, when received  
              by any said market access node (MAN) or trader terminal (WS).

2            15. The trading system of claim 10, wherein said current credit limit is  
              derived from a predetermined maximum trade volume and the actual

4 cumulative trade volume between said associated trading floor and one other  
trading floor dealing in a plurality of types of financial instruments.

2 16. The trading system of claim 15, wherein said current credit limit is a  
combined limit applicable to a plurality of related trading floors.

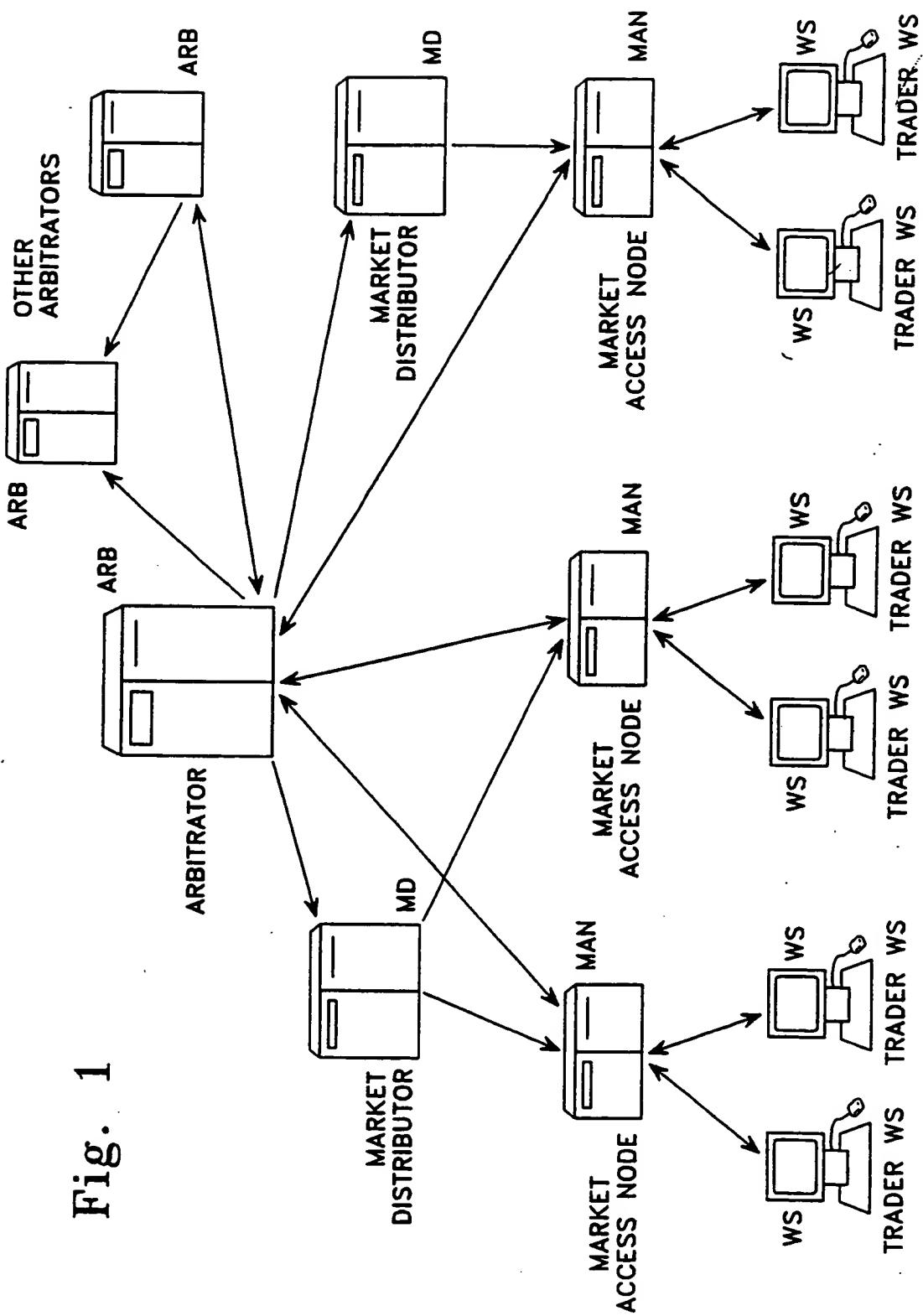


Fig. 2

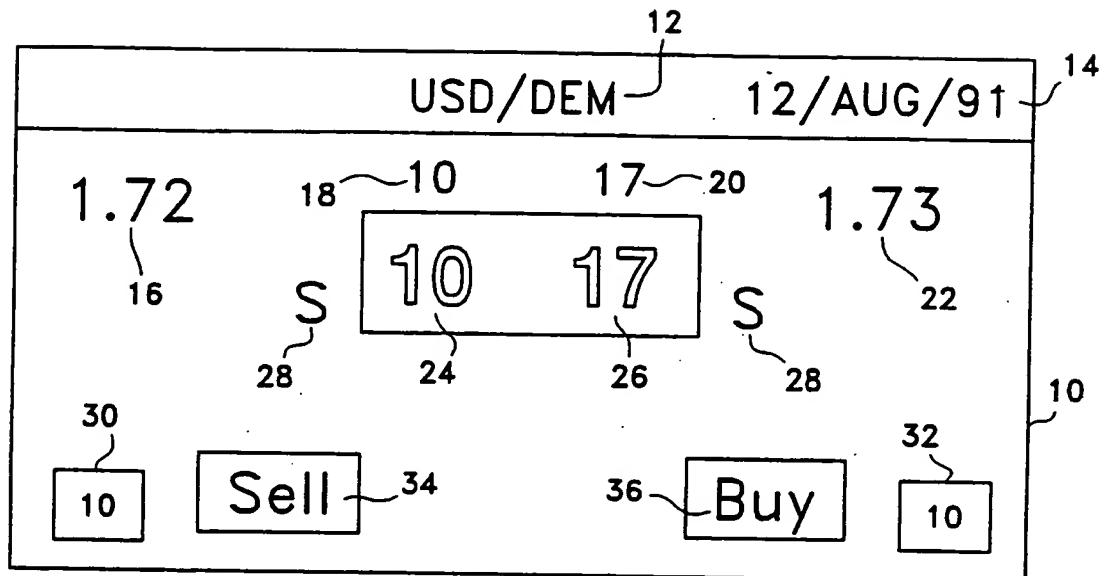


Fig. 3

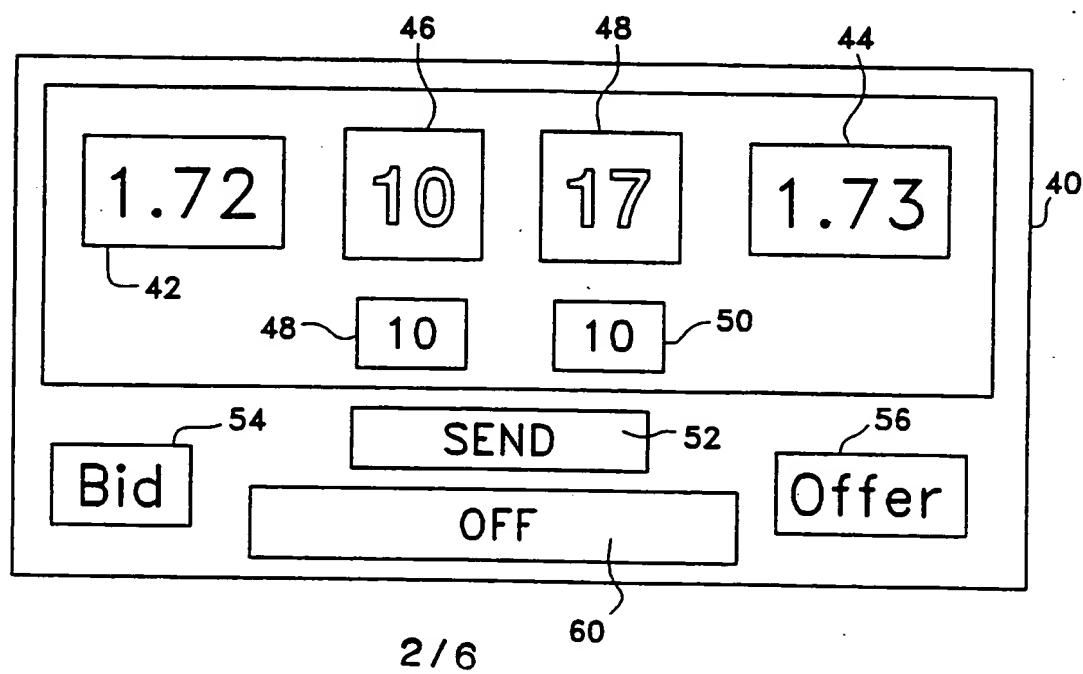
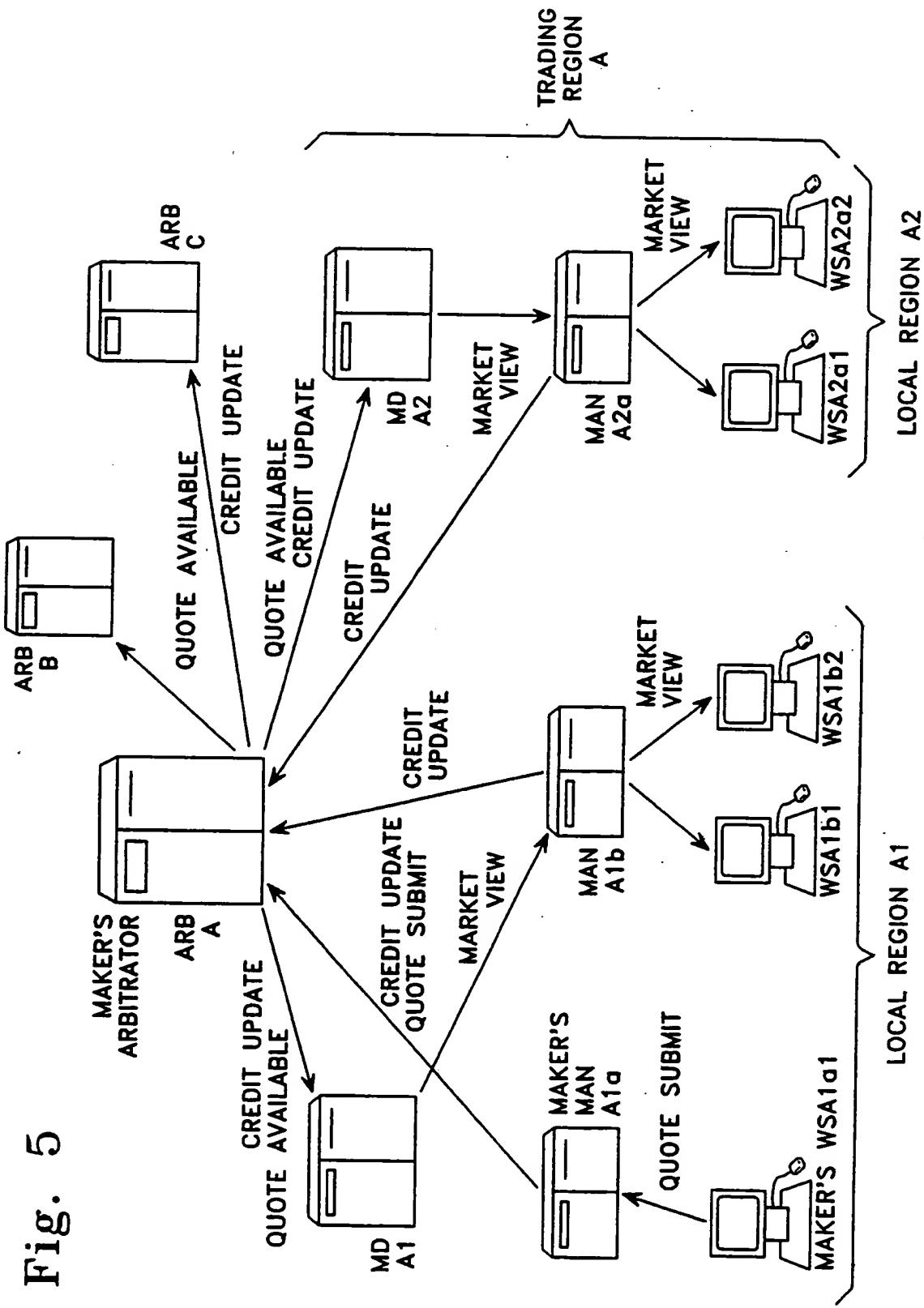


Fig. 4

Deallowable Price Display (select one)	80 ~ Regular Priority -	Best Dealable -
Currency Trading Pair	xxx / xxx ~ 72	82
Normal Trade Size	nnn ~ 74	
Maximum Trade Size	nnn ~ 76	
Price Time Limit	min. ~ 76	sec. ~ 78
Work the Balance based on (select one)	82 ~ Complete + Partial -	NTL y/n ~ 78
Cancel When Bettered	y/n ~ 78	Partial - None -
Display EBS Best	y/n	
Display EBS Deals	y/n	
Display EBS Currencies	y/n	
EBS Currencies	xxx / xxx	xxx / xxx
	xxx / xxx	xxx / xxx
	xxx / xxx	xxx / xxx

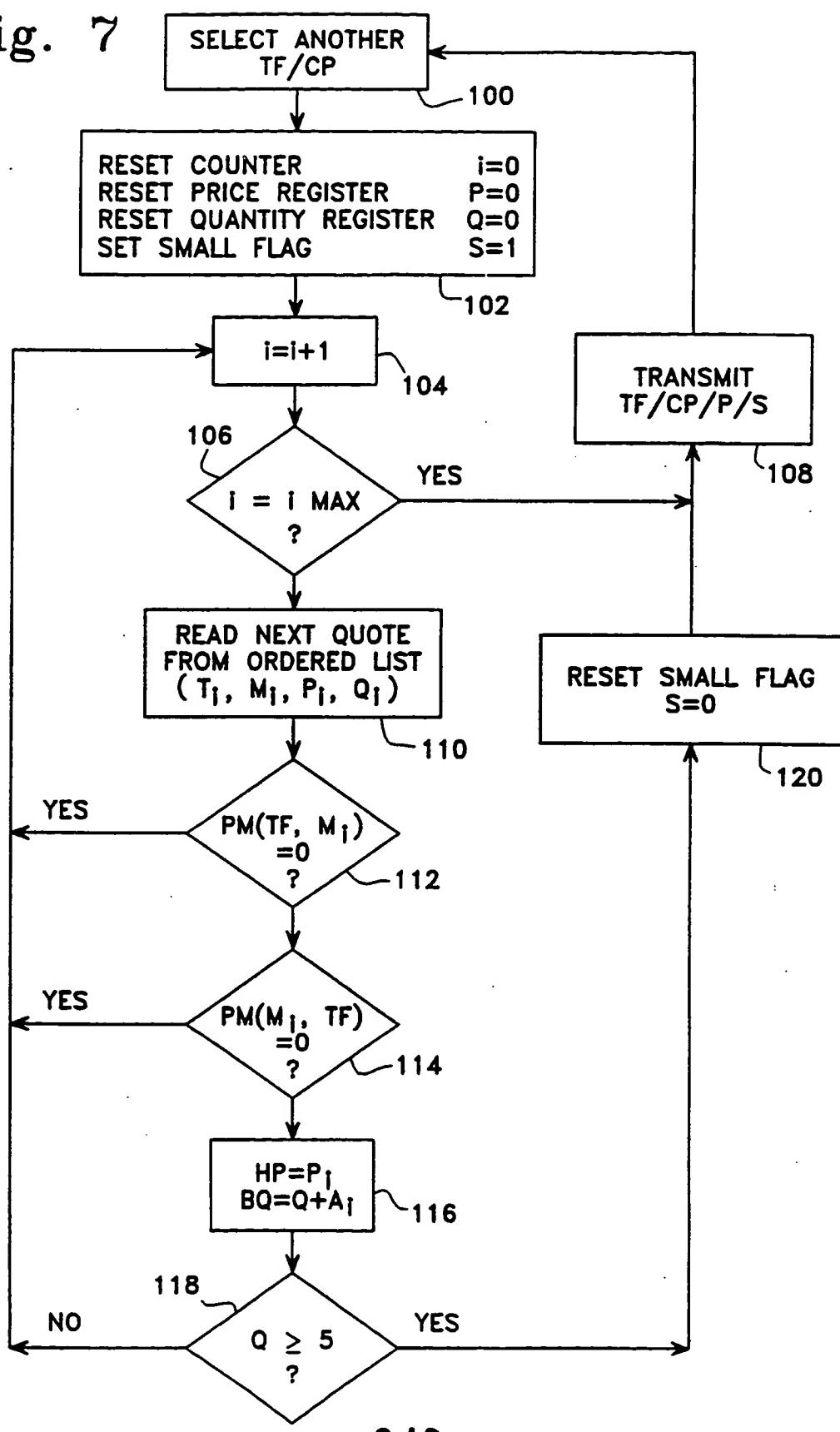


TO

FLOOR	TFA1	TFA2	TFB1	TFB2
TFA1	0	1	0	1
TFA2	1	1	0	1
FROM	0	1		
TFB1	0	1		
TFB2	1	0		

Fig. 6

Fig. 7



## INTERNATIONAL SEARCH REPORT

International Application No.

PCT/US 93/00916

<b>I. CLASSIFICATION OF SUBJECT MATTER</b> (If several classification symbols apply, indicate all) <sup>6</sup>		
According to International Patent Classification (IPC) or to both National Classification and IPC Int.C1. 5 G06F15/24		
<b>II. FIELDS SEARCHED</b>		
Minimum Documentation Searched <sup>7</sup>		
Classification System	Classification Symbols	
Int.C1. 5	G06F	
Documentation Searched other than Minimum Documentation to the Extent that such Documents are Included in the Fields Searched <sup>8</sup>		
<b>III. DOCUMENTS CONSIDERED TO BE RELEVANT<sup>9</sup></b>		
Category <sup>10</sup>	Citation of Document, <sup>11</sup> with indication, where appropriate, of the relevant passages <sup>12</sup>	Relevant to Claim No. <sup>13</sup>
P,X	EP,A,0 512 702 (REUTERS LIMITED) 11 November 1992 see page 2, line 1 - page 3, line 32; figure 1 see page 7, line 19 - page 9, line 14 ----	1,2,8, 10,11,14
A	ELECTRONIC BANKING & FINANCE July 1990, NL pages 3 - 4 'Quotron Introduces New Foreign Exchanges Dealing System' see the whole document ----	1-6,8,10
A	COMPUTERS IN THE CITY '89. 14-16 NOVEMBER 1989, LONDON, UK. pages 53 - 61 F.J. PERKINS 'NORDEX: automated trading for Nordic equities' see the whole document ----	1,8,10 -/-
<p><sup>10</sup> Special categories of cited documents :<sup>10</sup></p> <p>"A" document defining the general state of the art which is not considered to be of particular relevance</p> <p>"E" earlier document but published on or after the international filing date</p> <p>"L" document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reasons (as specified)</p> <p>"O" document referring to an oral disclosure, use, exhibition or other means</p> <p>"P" document published prior to the international filing date but later than the priority date claimed</p> <p>"T" later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention</p> <p>"X" document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step</p> <p>"Y" document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art.</p> <p>"Z" document member of the same patent family</p>		
<b>IV. CERTIFICATION</b>		
Date of the Actual Completion of the International Search <b>20 APRIL 1993</b>	Date of Mailing of this International Search Report <b>29. 04. 93</b>	
International Searching Authority <b>EUROPEAN PATENT OFFICE</b>	Signature of Authorized Officer <b>BURNE S.R.</b>	

III. DOCUMENTS CONSIDERED TO BE RELEVANT (CONTINUED FROM THE SECOND SHEET)		
Category	Citation of Document, with indication, where appropriate, of the relevant passages	Relevant to Claims No.
A	EP,A,0 399 850 (REUTERS LIMITED) 28 November 1990 cited in the application see column 1, line 1 - column 6, line 27 -----	1,8,10
A	US,A,4 942 616 (LINSTROTH ET AL) 17 July 1990 see abstract -----	1,9

**ANNEX TO THE INTERNATIONAL SEARCH REPORT  
ON INTERNATIONAL PATENT APPLICATION NO.**

US 9300916  
SA 70081

This annex lists the patent family members relating to the patent documents cited in the above-mentioned international search report.  
The members are as contained in the European Patent Office EDP file on  
The European Patent Office is in no way liable for these particulars which are merely given for the purpose of information.

20/04/93

Patent document cited in search report	Publication date	Patent family member(s)		Publication date
EP-A-0512702	11-11-92	None		
EP-A-0399850	28-11-90	US-A-	5136501	04-08-92
US-A-4942616	17-07-90	None		